

Message Text

CONFIDENTIAL

PAGE 01 LONDON 01845 051746Z

46

ACTION EB-07

INFO OCT-01 EUR-12 NEA-10 ISO-00 ERDA-05 AID-05 CEA-01

CIAE-00 CIEP-01 COME-00 DODE-00 FEAE-00 FPC-01 H-02

INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04

USIA-06 SAM-01 OES-03 SP-02 SS-15 STR-04 TRSE-00

PRS-01 PA-01 /103 W

----- 067567

P R 051703Z FEB 76

FM AMEMBASSY LONDON

TO SECSTATE WASHDC PRIORITY 8751

AMEMBASSY PARIS PRIORITY

AMEMBASSY TEHRAN PRIORITY

INFO AMEMBASSY ABU DHABI

AMEMBASSY DOHA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

USINT BAGHDAD

C O N F I D E N T I A L LONDON 01845

E.O. 11652: EDS

TAGS: ENRG PDOR IR UK FR

SUBJECT: PRESS REPORTS IRANIAN THREAT TO BRITISH
CONTRACTS AND LOAN AFTER OIL LIFTINGS FALL

REF: TEHRAN 451 (NOTAL); STATE 11491 (NOTAL); STATE 776
(NOTAL)

1. BEGIN UNCLASSIFIED: FEBRUARY 4 LONDON TIMES CARRIES
FRONT PAGE ARTICLE. "IRAN THREAT TO BRITISH CONTRACTS
AFTER FALL IN OIL SALES." ARTICLE CITES WARNING TO
BRITAIN THROUHH DIPLOMATIC CHANNELS THAT IRAN MAY NOT BE
ABLE TO HONOR ALL CONTRACTS FOR INDUSTRIAL EQUIPMENT
SIGNED WITH UK COMPANIES UNLESS OIL CONSORTIUM LED BY BP
INCREASES CRUDE OFFTAKE. TIMES NOTES THIS FOLLOWS "NON-
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LONDON 01845 051746Z

APPEARANCE OF A 400 MILLION DOLLAR LOAN DUE TO THE

NATIONAL WATER COUNCIL." HIGHLIGHTS OF ARTICLE FOLLOW.

2. THREATS HAVE BEEN IN GENERAL TERMS AND NO SPECIFIC CONTRACTS SINGLED OUT. IRANIAN FAILURE TO DELIVER LOAN IS NOT SEEN AS AN INABILITY TO PAY BUT AS ANOTHER LEVER BEING PUT ON HMG TO INFLUENCE OIL CONSORTIUM POLICY THROUGH BP.

3. IRAN HAS UNTIL END OF MONTH TO DELIVER THE 400 MILLION DOLLARS. COMBINED WITH THREAT TO EXPANDING EXPORT MARKET, SITUATION IS DESCRIBED IN GOVERNMENT CIRCLES AS BOTH "DELICATE AND SERIOUS." PRESSURE OF THIS SORT PLACES GOVERNMENT IN A DILEMMA SINCE OFFICIALLY IT CANNOT INTERFERE IN COMMERCIAL OPERATIONS OF BP, LARGEST SHAREHOLDER IN CONSORTIUM. ASSURANCES THAT HMG CANNOT INFLUENCE BP'S POLICY, EVEN THOUGH GOVERNMENT AND BANK OF ENGLAND HOLD 70 PERCENT OF SHARES, ARE NOT READILY ACCEPTED IN IRAN.

4. AN APPROACH TO HMG CAME AFTER DIRECT APPEALS TO OIL COMPANIES HAD FAILED. INITIALLY SHAH HAD TOP LEVEL TALKS WITH OIL COMPANY CHIEFS AND NOW CONSORTIUM IS INVOLVED IN NEGOTIATIONS OVER A REDUCTION IN PRICE.

5. BALANCE OF ARTICLE RECITES FAMILIAR HISTORY OF GOIL-OIL CONSORTIUM DISPUTE. END UNCLASSIFIED.

6. BEGIN CONFIDENTIAL: FCO SOURCE SUGGESTS THAT LEAK OF DETAILS TO PRESS CAME FROM OIL INDUSTRY RATHER THAN GOVERNMENT CIRCLES. EMPHASIS PLACED ON LOAN ASPECT WOULD TEND TO CONTRADICT THIS ASSESSMENT. IN ANY EVENT, FCO INTENDS TO RESPOND TO FURTHER PRESS QUERIES BY NOTING THAT A PROBLEM DOES EXIST, IRANIANS HAVE IN FACT SPOKEN TO BRITISH AND HMG BELIEVES IT IS NOT ONLY GOVERNMENT IRANIANS HAVE APPROACHED ON OIL LIFTINGS QUESTION.

SPIERS

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, PETROLEUM INDUSTRY, CONTRACTS, LOANS, GOVERNMENT REACTIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 05 FEB 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: coburnhl
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976LONDON01845
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: DG ALTERED
Executive Order: GS
Errors: N/A
Film Number: D760044-0470
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760279/aaaacrsm.tel
Line Count: 98
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 TEHRAN 451
Review Action: RELEASED, APPROVED
Review Authority: coburnhl
Review Comment: n/a
Review Content Flags:
Review Date: 21 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21 APR 2004 by greeneet>; APPROVED <10 AUG 2004 by coburnhl>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PRESS REPORTS IRANIAN THREAT TO BRITISH CONTRACTS AND LOAN AFTER OIL LIFTINGS FALL
TAGS: ENRG, PFOR, IR, UK, FR
To: STATE TEHRAN
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006